

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1001 be amended to read as follows:

1       Page 80, line 16, before "The" insert "**Augmentation allowed to the**  
2       **extent of savings resulting from the amendment to IC 6-1.1-20.9-2**  
3       **and IC 6-1.1-21-2 by this act, which sets a maximum basis for**  
4       **computing the credits, compared to the amount appropriated for**  
5       **property tax replacement credit and homestead credit distributions**  
6       **in this act. The budget agency shall take the steps necessary to**  
7       **allow state distributions required as a result of the increase in the**  
8       **index dollars amounts set forth in IC 21-3-1.7-6.7(a) to be paid**  
9       **from this difference, which would otherwise revert to the state**  
10       **general fund at the end of a state fiscal year or be transferred to a**  
11       **purpose other than the purpose for which it was appropriated."**

12       Page 112, after line 48, begin a new paragraph and insert:

13       "SECTION 58. IC 6-1.1-20.9-2 IS AMENDED TO READ AS  
14       FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Except as  
15       otherwise provided in section 5 of this chapter, an individual who on  
16       March 1 of a particular year either owns or is buying a homestead under  
17       a contract that provides the individual is to pay the property taxes on  
18       the homestead is entitled each calendar year to a credit against the  
19       property taxes which the individual pays on the individual's homestead.  
20       However, only one (1) individual may receive a credit under this  
21       chapter for a particular homestead in a particular year.

22       (b) The amount of the credit to which the individual is entitled  
23       equals the product of:

24       (1) the percentage prescribed in subsection (d); multiplied by  
25       (2) the amount of the individual's property tax liability, as that  
26       term is defined in IC 6-1.1-21-5, which is:

27       (A) attributable **during the particular calendar year** to the  
28       **part of the assessed value of the** homestead **during the**  
29       **particular calendar year; that does not exceed two hundred**  
30       **fifty thousand dollars (\$250,000); and**

31       (B) determined after the application of the property tax  
32       replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 59. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March ~~1~~ **15** of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from: ~~appeals described in:~~

(i) **appeals described in** IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) ~~the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983;~~ plus

(iii) **increases allowed under** IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

- 1 (ii) is not debt that is issued under IC 5-1-5 to refund debt
- 2 incurred before January 1, 1984; and
- 3 (iii) does not constitute debt entered into for the purpose of
- 4 building, repairing, or altering school buildings for which the
- 5 requirements of IC 20-5-52 were satisfied prior to January 1,
- 6 1984; minus
- 7 (E) the amount of property taxes imposed in the county for the
- 8 stated assessment year under the authority of IC 21-2-6
- 9 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 10 cumulative building fund whose property tax rate was initially
- 11 established or reestablished for a stated assessment year that
- 12 succeeds the 1983 stated assessment year; minus
- 13 (F) the remainder of:
- 14 (i) the total property taxes imposed in the county for the
- 15 stated assessment year under authority of IC 21-2-6
- 16 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 17 cumulative building fund whose property tax rate was not
- 18 initially established or reestablished for a stated assessment
- 19 year that succeeds the 1983 stated assessment year; minus
- 20 (ii) the total property taxes imposed in the county for the
- 21 1984 stated assessment year under the authority of IC 21-2-6
- 22 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 23 cumulative building fund whose property tax rate was not
- 24 initially established or reestablished for a stated assessment
- 25 year that succeeds the 1983 stated assessment year; minus
- 26 (G) the amount of property taxes imposed in the county for the
- 27 stated assessment year under:
- 28 (i) IC 21-2-15 for a capital projects fund; plus
- 29 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- 30 (iii) IC 20-14-13 for a library capital projects fund; plus
- 31 (iv) IC 20-5-17.5-3 for an art association fund; plus
- 32 (v) IC 21-2-17 for a special education preschool fund; plus
- 33 (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- 34 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in
- 35 a school corporation's maximum permissible general fund
- 36 levy for certain transfer tuition costs; plus
- 37 (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
- 38 a school corporation's maximum permissible general fund
- 39 levy for transportation operating costs; minus
- 40 (H) the amount of property taxes imposed by a school
- 41 corporation that is attributable to the passage, after 1983, of a
- 42 referendum for an excessive tax levy under IC 6-1.1-19,
- 43 including any increases in these property taxes that are
- 44 attributable to the adjustment set forth in IC 6-1.1-19-1.5 or
- 45 any other law; minus
- 46 (I) for each township in the county, the lesser of:
- 47 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
- 48 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,

1           whichever is applicable, plus the part, if any, of the  
 2           township's ad valorem property tax levy for calendar year  
 3           1989 that represents increases in that levy that resulted from  
 4           an appeal described in IC 6-1.1-18.5-13(4) filed after  
 5           December 31, 1982; or  
 6           (ii) the amount of property taxes imposed in the township for  
 7           the stated assessment year under the authority of  
 8           IC 36-8-13-4; minus  
 9           (J) for each participating unit in a fire protection territory  
 10          established under IC 36-8-19-1, the amount of property taxes  
 11          levied by each participating unit under IC 36-8-19-8 and  
 12          IC 36-8-19-8.5 less the maximum levy limit for each of the  
 13          participating units that would have otherwise been available  
 14          for fire protection services under IC 6-1.1-18.5-3 and  
 15          IC 6-1.1-18.5-19 for that same year; minus  
 16          (K) for each county, the sum of:  
 17               (i) the amount of property taxes imposed in the county for  
 18               the repayment of loans under IC 12-19-5-6 (repealed) that is  
 19               included in the amount determined under IC 12-19-7-4(a)  
 20               STEP SEVEN for property taxes payable in 1995, or for  
 21               property taxes payable in each year after 1995, the amount  
 22               determined under IC 12-19-7-4(b); and  
 23               (ii) the amount of property taxes imposed in the county  
 24               attributable to appeals granted under IC 6-1.1-18.6-3 that is  
 25               included in the amount determined under IC 12-19-7-4(a)  
 26               STEP SEVEN for property taxes payable in 1995, or the  
 27               amount determined under IC 12-19-7-4(b) for property taxes  
 28               payable in each year after 1995; plus  
 29          (2) all taxes to be paid in the county in respect to mobile home  
 30          assessments currently assessed for the year in which the taxes  
 31          stated in the abstract are to be paid; plus  
 32          (3) the amounts, if any, of county adjusted gross income taxes that  
 33          were applied by the taxing units in the county as property tax  
 34          replacement credits to reduce the individual levies of the taxing  
 35          units for the assessment year, as provided in IC 6-3.5-1.1; plus  
 36          (4) the amounts, if any, by which the maximum permissible ad  
 37          valorem property tax levies of the taxing units of the county were  
 38          reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated  
 39          assessment year; plus  
 40          (5) the difference between:  
 41               (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;  
 42               minus  
 43               (B) the amount the civil taxing units' levies were increased  
 44               because of the reduction in the civil taxing units' base year  
 45               certified shares under IC 6-1.1-18.5-3(e).  
 46          (h) "December settlement sheet" means the certificate of settlement  
 47          filed by the county auditor with the auditor of state, as required under  
 48          IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is equal to the sum of the following:

(1) Sixty percent (60%) of:

(A) the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year; **minus**

**(B) the part of a taxpayer's tax liability described in clause (A) that is attributable to the taxes imposed on the part of the assessed value of each taxpayer's property that exceeds two hundred fifty thousand dollars (\$250,000) on a particular tax bill.**

(2) Twenty percent (20%) of:

~~(A) the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) the amount determined under subdivision (1))~~ imposed in a county on real property for a stated assessment year; **minus**

**(B) the part of a taxpayer's tax liability described in clause (A) that is attributable to the taxes imposed on the part of the assessed value of each taxpayer's property that exceeds two hundred fifty thousand dollars (\$250,000) on a particular tax bill.**

(3) Twenty percent (20%) of:

~~(A) the total tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county the amount determined under subdivision (1)~~ on tangible personal property, excluding business personal property, for an assessment year; **minus**

**(B) the part of a taxpayer's tax liability for total county tax levy described in clause (A) that is attributable to the taxes imposed on the part of the assessed value of each taxpayer's property that exceeds two hundred fifty thousand dollars (\$250,000) on a particular tax bill.**

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or  
(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

(1) Sixty percent (60%) of:

(A) a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a

1           stated assessment year; **minus**

2           **(B) the part of the taxpayer's tax liability described in**  
 3           **clause (A) that is attributable to the taxes imposed on the**  
 4           **part of the assessed value of each taxpayer's property that**  
 5           **exceeds two hundred fifty thousand dollars (\$250,000) on**  
 6           **a particular tax bill.**

7           (2) Twenty percent (20%) of:

8           **(A) a taxpayer's tax liability for a stated assessment year for a**  
 9           **total county tax levy (less ~~sixty percent (60%) of the levy for~~**  
 10           **the general fund of a school corporation that is part of the total**  
 11           **county tax levy) the amount determined under subdivision**  
 12           **(1)) on real property; minus**

13           **(B) the part of the taxpayer's tax liability for the total**  
 14           **county tax levy described in clause (A) that is attributable**  
 15           **to the taxes imposed on the part of the assessed value of**  
 16           **each taxpayer's property that exceeds two hundred fifty**  
 17           **thousand dollars (\$250,000) on a particular tax bill.**

18           (3) Twenty percent (20%) of:

19           **(A) a taxpayer's tax liability for a stated assessment year for a**  
 20           **total county tax levy (~~less sixty percent (60%) of the levy for~~**  
 21           **the general fund of a school corporation that is part of the total**  
 22           **county tax levy) the amount determined under subdivision**  
 23           **(1)) on tangible personal property other than business personal**  
 24           **property; minus**

25           **(B) the part of the taxpayer's tax liability for the total**  
 26           **county tax levy described in clause (A) that is attributable**  
 27           **to the taxes imposed on the part of the assessed value of**  
 28           **each taxpayer's property that exceeds two hundred fifty**  
 29           **thousand dollars (\$250,000) on a particular tax bill.**

30           (m) "Tax liability" means tax liability as described in section 5 of  
 31           this chapter.

32           (n) "General school operating levy" means the ad valorem property  
 33           tax levy of a school corporation in a county for the school corporation's  
 34           general fund."

35           Page 176, line 37, delete "nineteen" and insert **"four hundred**  
 36           **fifty-five"**.

37           Page 176, line 37, delete "\$1,019);" and insert **"(\$1,455);"**.

38           Page 176, line 48, strike "two" and insert **"eight"**.

39           Page 176, line 48, delete "sixty".

40           Page 177, line 1, delete "\$1,260);" and insert **"(\$1,800);"**.

41           Page 177, line 12, strike "four" and insert **"seven"**.

42           Page 177, line 12, delete "fifty-two" and insert **"seventy-four"**

43           Page 177, line 13, delete "(\$452);" and insert **"(\$774);"**.

44           Page 177, line 23, strike "five" and insert **"seven"**.

45           Page 177, line 23, delete "fifty-seven" and insert **"ninety-five"**

46           Page 177, line 24, delete "(\$557);" and insert **"(\$795);"**.

47           Page 177, line 36, strike "three" and insert **"four"**.

1 Page 177, line 36, delete "forty-seven" and insert "**ninety-five**"

2 Page 177, line 37, delete "(\$347);" and insert "**(\$495);**".

3 Page 185, line 10, delete "seven hundred fifty-four million three"  
4 and insert "**eight hundred one million four**".

5 Page 185, line 11, delete "(\$3,754,300,000)" and insert  
6 "**(\$3,801,400,000)**".

7 Page 185, line 12, delete "seven hundred forty-nine million three"  
8 and insert "**eight hundred twenty-five million six**".

9 Page 185, line 13, delete "(\$3,749,300,000)" and insert  
10 "**(\$3,825,600,000)**".

11 Page 204, between lines 13 and 14, begin a new paragraph and  
12 insert:

13 "SECTION 225. [EFFECTIVE JULY 1, 2005] **IC 6-1.1-20.9-2 and**  
14 **IC 6-1.1-21-2, both as amended by this act, apply only to property**  
15 **taxes first due and payable after December 31, 2005.**".

16 Page 205, between lines 5 and 6, begin a new paragraph and insert:

17 "SECTION 228. [EFFECTIVE JANUARY 1, 2006] **(a) If the**  
18 **application of the increase in the index dollar amounts set forth in**  
19 **IC 21-3-1.7-6.7(a) are fully funded from savings resulting from the**  
20 **amendment to IC 6-1.1-20.9-2 and IC 6-1.1-21-2 by this act, the**  
21 **budget agency shall determine for 2006 and for 2007 whether**  
22 **remaining money is available from savings resulting from the**  
23 **amendment to IC 6-1.1-20.9-2 and IC 6-1.1-21-2 by this act, which**  
24 **sets a maximum basis for computing the credits, compared to the**  
25 **amount appropriated for property tax replacement credit and**  
26 **homestead credit distributions in this act.**

27 **(b) If the budget agency determines that remaining savings are**  
28 **available during 2006 and 2007, each school corporation is entitled**  
29 **to an additional grant to be distributed before June 30, 2006, and**  
30 **before June 30, 2007, in the amount determined under the**  
31 **following formula:**

32 **STEP ONE: For each school corporation, determine the**  
33 **product of:**

34 **(A) the school corporation's adjusted ADM (as determined**  
35 **under IC 21-3-1.7-6.6); multiplied by**

36 **(B) the school corporation's complexity index (as**  
37 **determined under IC 21-3-1.7-6.7(a)).**

38 **STEP TWO: Determine the sum of the STEP ONE results for**  
39 **all school corporations.**

40 **STEP THREE: Determine the quotient of:**

41 **(A) the total amount of money available for additional**  
42 **grants under this SECTION; divided by**

43 **(B) the STEP TWO sum.**

44 **STEP FOUR: Determine the product of:**

45 **(A) the school corporation's STEP ONE result; multiplied**  
46 **by**

47 **(B) the STEP THREE amount.**



- 1 **(c) This SECTION expires January 1, 2008."**
- 2 Renumber all SECTIONS consecutively.  
(Reference is to EHB 1001 as printed April 1, 2005.)

---

Senator SIMPSON